

SUSTAINABLE GROWTH AND ENVIRONMENT CAPITAL SCRUTINY COMMITTEE	Agenda Item No. 5
17 JULY 2014	Public Report

Report of the Director of Governance

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REPORT OF THE SOLAR PANEL ENERGY WORKING GROUP

1. PURPOSE

- 1.1 To report back to the Committee the findings and recommendation of the Solar Panel Energy Working Group as requested by this Committee at the Call-In meeting held on 12 March 2014.

2. RECOMMENDATIONS

- 2.1 The Recommendation of the Working Group is as follows;

The Working party, having reviewed all the evidence and particularly the financial elements of the Ground Mounted Solar Photovoltaic (Pv) Panels (Solar Farms) and Wind Turbine Project, referred to them in their Terms of Reference by Sustainable Growth and Environmental Capital Scrutiny Committee and Scrutiny Commission for Rural Communities report back that they consider, by majority, that the scheme should not go ahead as they conclude the financial returns are not viable and the risks unacceptably high.

Cllr Hiller – dissenting concluding on grounds that the viability of the schemes had been evidenced by independent experts and reports and that the risks were evaluated sensibly and the schemes should proceed.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 The project supports delivery of the Council's Environmental Capital ambitions by producing 'green energy' through the use of renewable technologies. The proposed developments will maximise energy output as well as balance environmental and community concerns whilst contributing a significant reduction of the Council's carbon footprint.
- 3.2 In addition, the energy generated can be sold to create a new and significant source of revenue to the Council that will help to close the Council's funding gap and protect its ability to continue in the provision of front line services. The Medium Term Financial Strategy approved by Full Council in March 2013 included the income generated by these proposals. If the schemes do not proceed, then the budget deficits forecast in future years will worsen.
- 3.3 The project will generate significant amounts of renewable power which can be used by the Council to safeguard its budgets against future electricity price rises and uncertain energy price inflation

4. BACKGROUND

- 4.1 On 12 March 2014, following a call in of a Cabinet decision made on 24th February 2013 by this Committee recommended, insofar as it is relevant to the Working Group, that the Group consider the Cabinets decision and shall report on that decision and the issues raised by the Scrutiny Committee at its meeting of 12 March 2014.

The Members of the Working Group are:

Cllr Fletcher, Chairman
Cllr Hiller
Cllr Murphy
Cllr Sandford

The terms of Reference of the Working Group are set out in Appendix 1

The Working Group met twice and studied the business case for the America Farm Solar Energy scheme and the other matters set out in their Terms of Reference. The full background to the schemes are set out in the Cabinet report dated 24 February 2013 Appendix 2 of this report.

5. KEY ISSUES

- 5.1 The key issues are set out in the Cabinet Report of 24 February 2014 and the minutes of the Sustainable Growth Scrutiny Committee of 12th March 2014 and the above recommendation.

6. IMPLICATIONS

- 6.1 There are no legal implications to this report. The financial implications of the recommendation contained in this report would lead to a potential loss of revenue to the council of £5.924m over the life of the contract with a consequential impact on the Medium Term Financial Strategy. In the context of the councils overall budget (a gap next year of £17.6m rising in years after that) the annual benefit lost would be around £250k per annum. The council would also face having to write off development costs.

7. CONSULTATION

- 7.1 Not Applicable.

8. NEXT STEPS

- 8.1 The Committee should make a recommendation back to Cabinet.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1 Cabinet Report dated 24 February 2014

10. APPENDICES

- 10.1 Appendix 1 – Terms of Reference of Working Group

APPENDIX 1

JOINT SCRUTINY WORKING GROUP TO REVIEW THE FINANCIAL ELEMENTS OF THE DEVELOPMENT OF GROUND MOUNTED SOLAR PHOTOVOLTAIC (Pv) PANELS (SOLAR FARMS) AND WIND TURBINES

PURPOSE AND TERMS OF REFERENCE

Purpose of the Group

The Working Group will review the financial elements of the Ground Mounted Solar Photovoltaic (Pv) Panels (Solar Farms) and Wind Turbine Project and report back to the Sustainable Growth and Environment Capital Scrutiny Committee and Scrutiny Commission for Rural Communities with recommendations to Cabinet.

Terms of Reference

In undertaking this, the Group will investigate and consider the following:

- (1) key financial risks of the project
- (2) the likelihood of profit
- (3) Alternative schemes

Authority

1. The Group will work in a scrutiny/over-viewing capacity.
2. The Group will be required to produce a final report for the Sustainable Growth and Environment Capital Scrutiny Committee and Scrutiny Commission for Rural Communities detailing the work it has undertaken and detailing any recommendations to the relevant Cabinet Member, the Leader of the Council and/or Cabinet.
3. The Group has:
 - no decision-making powers; and
 - no policy making powers.

Membership

The Group will be made up of Councilors Hiller, Sandford, Murphy, and Fletcher with the Cabinet Member for Strategic Resources attending in an advisory/consultative capacity when required.

Chairman

The Group will choose a Chairman at its first meeting.

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